



# KESAR ENTERPRISES LIMITED

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CIN : L24116MH1933PLC001996

29<sup>th</sup> September, 2023

BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**Scrip Code: 507180**

Dear Sir,

**Sub: Chairman Speech at 88th Annual General Meeting of the Company.**

Please find attached herewith a copy of the Chairman Speech as delivered at 88th Annual General Meeting of the Company held on Friday, 29th September, 2023 through Video Conference / Other Audio-Visual Means. The same is also available on the website of the Company.

You are requested to kindly take the above information on record.

Thanking you,

Yours faithfully,  
**For Kesar Enterprises Limited**

**Gaurav Sharma**  
**Company Secretary &**  
**Assistant Vice President – Legal**

## CHAIRMAN SPEECH (88<sup>TH</sup> AGM)

Dear Members,

Welcome to the 88th Annual General Meeting of the Company. On behalf of the Board of Directors, I thank you all for taking the time out to join us today.

### **Indian Sugar Industry:**

Indian Sugar Mills Association (ISMA) has projected the Country's sugar production for Sugar Season 2022-23 to be 328 lac tons (including diversion of sugar for ethanol to the tune of 41 lac tonnes). After considering opening stock of 70 lac tons, Internal Consumption of around 275 lac tonnes, and exports to the tune of 63.50 lac tonnes, the closing stock of sugar as on 30<sup>th</sup> September, 2023 is expected to be around 59.50 lac tonnes.

The government may not allow additional exports as closing stock for the season could fall to around 59.50 lac tonnes, the lowest in six years. Government of India has allowed sugar mills to export 63.50 lac tonnes of the sweetener in the current season, down from the record 110 lac tonnes in the previous season.

As per the estimate of Government, the Country is likely to achieve 20% blending of ethanol with petrol by 2025. The blending of ethanol with petrol has increased to 10 per cent in 2021-22 marketing year from just 1.53 per cent in 2013-14 on the back of efforts made by farmers and industry, aided by favourable government policies. The target is to reach 12 per cent blending in 2022-23, 15 per cent in 2023-24 and 20 per cent in 2024-25. The requirement of ethanol is estimated at 1,300 crore litre, of which 650 litres should come from sugarcane and the rest from other sources including grains.

### **Company's Operational performance:**

#### **Sugar Division**

During the season 2022-23, the plant has crushed 115.99 lakh quintals of sugarcane as against 115.39 lakh quintals in the previous season. The overall sugar recovery was 10.49%, which is same to that of previous season. During the season, the sugar production was 12.16 lakh quintals, as against 12.10 lakh quintals in the previous season.

For the sugar season 2022-23, the Central Government had announced a Fair & Remunerative Price [FRP] of sugarcane at Rs 305/- a quintal at a base recovery of 10.25%, with a premium of Rs. 3.05 per quintal for every 0.1% increase above 10.25% in the final recovery achieved by respective sugar factory. However, the Government of Uttar Pradesh has not increased their State Advised Price (SAP) of Sugarcane this season and has retained the same at Rs. 340/- a quintal for normal variety. On the basis of FRP and our recovery of 10.49%, the cane price works out to be Rs. 312.32 per quintal, as against which, the Company has to pay Rs. 350 per quintal for early variety of cane based on SAP.

During the year, there has been a moderate increase in sugar selling price, as compared to the previous year. However, the increase in the sugar realisation is much lower than the impact of increase in the cane price. Although the Government had approved an increase in Minimum Selling Price (MSP) for sugar 4 years ago, it was not introduced, resulting into lower realization.

## **Power Division**

The Plant consumed 2.82 lakh MT of bagasse and 0.39 lakh MT of alternate fuel to generate 1.39 MW power as against 2.97 lakh MT of bagasse and 0.28 lakh MT of alternate fuel to generate 1.33 lakh MW power in the previous Season. The total power exported to Uttar Pradesh Power Corporation Limited (UPPCL) was 0.94 lakh MW amounting to Rs. 30.70 Crores as against 0.86 lakh MW amounting to Rs. 31.66 Crores in the previous Season.

## **Spirits Division**

During the year, Distillery plant was operated at its full capacity of 45 KLPD, as per the guidelines of Pollution Control Board (PCB).

With a view to capitalise change in the market scenario, the Company has not offered any quantity of Ethanol to Oil Marketing Companies (OMCs) and has decided to supply RS / SDS directly in the open market. Till 30.05.2023, the Company has supplied 81.00 Lakh BL of RS /SDS as against 42.84 Lakh BL of RS / SDS BL supplied during the whole of year (November 2021 to October 2022). The current year's average realisation of RS / DS / SDS is around Rs 52.90 per BL as compared to the landed rate of Rs 49.41 / BL offered by OMCs for Ethanol produced from C Final molasses.

## **Financial Performance (F.Y. 2022-23):**

During Financial Year 2022-23, the Company generated revenue from operations amounting to Rs. 55,276.04 lakhs as against Rs. 46,917.19 lakhs in the year 2021-22 (**increase by 17.82%**). After taking into account the effect of other Comprehensive Income based on Ind-AS norms, there is a loss of Rs.4,484.19 lakhs for the Financial Year 2022-23 as against a loss of Rs.2,917.14 lakhs in the previous year. The Company generated EBIDTA of Rs. 225.01 lakhs as against Rs. 1,536.87 lakhs last year.

During the year, the Board of Directors, at their meeting held on 29<sup>th</sup> March 2023, approved One Time Settlement (OTS) with UCO Bank, with OTS amount to be paid in instalments over a period of time as per terms of sanction issued by the Bank and accepted by the Company. As on date of this report, the Company is in compliance with the OTS terms.

## **Outlook for 2023-24:**

The crushing for Season 2023-24 is expected to start in the last week of October 2023, / 1<sup>st</sup> week of November 2023. For the said season, crushing and % recovery is expected to be at the same level as that for sugar season 2022-23. The sugar price is expected to be firm. State Advised Price (SAP) for Sugarcane for upcoming season is likely to be increased in view of the impending elections.

The Cogen Power Plant will start in the last week of October 2023 and will be operated till the end of sugar crushing season 2023-24. As notified by Uttar Pradesh Electricity Regulatory Commission, power purchase rate is revised to Rs. 3.46 per unit with effect from 01.04.2023.

The Company will continue to run its Distillery at its present full capacity of 45 KLPD.

## **Acknowledgements:**

We thank our employees, customers, vendors and members for their continuous support. We also thank the Government of India and the State Government and concerned Government departments and agencies for their co-operation.

Thank you.

Harsh R Kilachand  
Chairman & Managing Director